

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

INTEGRATED HEALTH SERVICES OF CLIFF MANOR, INC., INTEGRATED HEALTH SERVICES AT RIVERBEND, INTEGRATED HEALTH SERVICES AT SOMERSET VALLEY, INC., ALPINE MANOR, INC., BRIARCLIFF NURSING HOME, INC., INTEGRATED HEALTH GROUP, INC., SPRING CREEK OF IHS, INC., FIRELANDS OF IHS, INC., ELM CREEK OF IHS, INC. and IHS LONG TERM CARE SERVICES, INC.,

Plaintiffs,

V.

Case No. 1:04-910-GMS

THCI COMPANY LLC,

Defendant,

and,

ABE BRIARWOOD CORPORATION  
and JOHN DOES 1-10,

### Additional Counterclaim Defendants.

**DECLARATION OF PETER L. FRATTARELLI**

PETER L. FRATTARELLI, pursuant to 28 U.S.C. §1746, declares under penalty of perjury that the following is true and correct:

1. I am a member of Archer & Greiner, P.C., attorneys for Non-Party Intervenor PharMerica, Inc. I respectfully submit this declaration is support of the Motion by PharMerica, Inc. to Intervene (the “Intervention Motion”), which was also respectfully submitted as a Response in Opposition to the Motion by THCI Company,

LLC (“THCI”) To Enforce the Stipulation and Order of Settlement and Dismissal (the “Enforcement Motion”) [Docket No. 206].

2. Attached hereto as Exhibit “A” is a true and correct copy of a management agreement (the “Management Agreement”) entered into by and between Integrated Health Group, Inc. (“IHS of Greensburg”), Integrated Health Services of Cliff Manor, Inc. (“IHS of Cliff Manor”), Integrated health Services of Riverbend, Inc. (“IHS of Riverbend”), Integrated Health Services at Somerset Valley, Inc. (“IHS of Somerset Valley”), Alpine Manor, Inc. (“IHS of Alpine Manor”), Briarcliff Nursing Home, Inc. (“IHS of Briarcliff”), Spring Creek of IHS, Inc. (“IHS of Spring Creek”), Firelands of HIS, Inc. (“IHS of Firelands”),<sup>1</sup> and Alabaster, LLC, Erie, LLC, Grand Banc, LLC, Greensburg, LLC, Huber Heights LLC, Kansas City, LLC, New London, LLC and West Carrolton, LLC (collectively, the “Tristate Entities” and singularly a “Tristate Entity”).

3. Collectively attached hereto as Exhibit “B” are true and correct copies of nine separate pharmacy services agreements (the “Pharmacy Services Agreements”) entered into by and between the Tristate Entities and the IHS Facilities.

4. Collectively attached hereto as Exhibit “C” are true and correct copies of UCC-1 Financing Statements (the “UCCs”) filed PharMerica.

5. Attached hereto as Exhibit “D” is a true and correct copy of a Complaint filed by PharMerica on November 17, 2006, against the Tristate Entities in the Circuit Court for the 11th Judicial Circuit, Miami-Dade County, Florida, in an action entitled *PharMerica, Inc. v. Klein et al.* (the “Florida Action”).

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<sup>1</sup> IHS of Cliff Manor, IHS of Riverbend, IHS of Somerset Valley, IHS of Alpine Manor, IHS of Briarcliff, IHS of Spring Creek, IHS of Firelands and IHS of Elm Creek shall hereinafter be collectively referred to as the “IHS Facilities”.

6. Attached hereto as Exhibit "E" is a true and correct copy of the settlement agreement (the "Settlement Stipulation") entered into by and between the IHS Facilities and THCI.

Executed this 20 day of April 2007.

s/ Peter L. Frattarelli

PETER L. FRATTARELLI

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